Abolition of Government monopoly in petroleum sector

†1705. SHRI KAPIL SIBAL:
DR. D. MASTHAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have made any assessment to abolish its monopoly in petroleum industry by making it competitive for bringing down the prices of petroleum products in the country;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) whether Government will take a decision immediately to abolish its monopoly for bringing down the prices of petroleum products in the country and making their prices competitive; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (e) Government in November 1997, decided the details of phasing of dismantling programme of administered pricing mechanism (APM) for moving towards a competitive market in the petroleum sector. Accordingly, the petroleum sector is scheduled for full deregulation from April 2002 onwards. Pursuant to the said decision, the consumer prices of all petroleum products except petrol, diesel, ATF, kerosene for public distribution system and domestic LPG have been decontrolled and the retention pricing system has been abolished for the refineries with effect from 1.4.1998. As per the programe, the price of domestic LPG is to be suitably adjusted to reach subsidy level at 15% of import parity during the year 2000-01. Suitable adjustment in prices of kerosene for public distribution would be made to reach subsidy level at 33.33% of the import parity. On full deregulation, 2002 onwards, the subsidy on kerosene for public distribution and LPG domestic will be transferred to the fiscal budget of the Government. The domestic consumer prices would depend on the oil and product prices in the international market.

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†Original notice of the question was received in Hindi.